

Message Text

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FM AMEMBASSY CANBERRA

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C O N F I D E N T I A L CANBERRA 7980

CINCPAC FOR POLAD

POLAD PASS AMB GREEN

E.O. 11652: GDS

TAGS: AS, PINT, PGOV

SUBJECT: EFFECT OF DEC. 7, 1974 QUEENSLAND PARLIAMENTARY ELECTION
ON NATIONAL SCENE

REF: CANBERRA 7968, CANBERRA 6378, SYDNEY 2039

1. SUMMARY. THE QUEENSLAND PARLIAMENTARY ELECTION IS LATEST IN A SERIES OF ELECTIONS INDICATING VOTERS DISENCHANTMENT WITH LABOR GOVERNMENT. WHILE IT SOMEWHAT INCREASES CHANCE FOR AN EARLY FEDERAL ELECTION, EMBASSY BELIEVES ON BALANCE THAT OPPOSITION WILL MOVE CAUTIOUSLY IN THIS RESPECT. LABOR REVERSES WILL ALSO INCREASE PRESSURES FOR NEW EMPLOYMENT MEASURES - PRINCIPALLY IMPORT RESTRICTIONS. END SUMMARY.

2. QUEENSLAND'S PARLIAMENTARY ELECTION S THE MOST RECENT AND DRAMATIC MANIFESTATION OF ALP'S DECLINING SUPPORT AMONG AUSTRALIAN ELECTORATE. PRIME MINISTER AND CABINET CAMPAIGNED EXTENSIVELY IN QUEENSLAND AND IN THE PROCESS A STATE ELECTION BECAME VIRTUALLY A REFERENDUM ON ALP FEDERAL POLICIES.
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THE SWING AWAY FROM LABOR IN QUEENSLAND WAS 8 PERCENT WHEN COMPARED

WITH QUEENSLAND'S VOTE IN LAST MAY'S FEDERAL ELECTION. THE EMBASSY REPORTED A FALLING OFF OF 6 PERCENT IN LAP SUPPORT IN ELECTIONS FOR THE ACT LEGISLATIVE ASSEMBLY ON 28 SEPT 74 WHEN CONTRASTED WITH A SIMILAR ELECTION IN 1970. CONSULATE GENERAL SYDNEY REPORTED A MAJOR ALP DEFEAT IN NEW SOUTH WALES LOCAL ELECTIONS WHICH WERE HELD ON 21 SEPT 74. IT IS ALSO INTERESTING TO NOTE THAT THE ALP'S PERCENTAGE OF THE QUEENSLAND VOTE IS TWO PERCENT LESS - (36 COMPARED TO 38) THAN ITS NATIONAL STANDING IN THE MOST RECENT GALLOP POLL PUBLISHED ON DECEMBER 7, 1974. THIS IS THE LOWEST LEVEL OF SUPPORT THE ALP HAS HAD SINCE THE WHITLAM GOVERNMENT TOOK OFFICE. IF THE QUEENSLAND ELECTION HAD BEEN FOR THE FEDERAL HOUSE OF REPRESENTATIVES, THE ALP WOULD HAVE LOST 5 OF ITS 6 QUEENSLAND SEATS.

3. IT IS DIFFICULT TO DRAW FIRM CONCLUSIONS ABOUT EFFECT OF VARIOUS POLITICAL AND ECONOMIC FACTORS ON QUEENSLAND ELECTION. QUEENSLAND IS SUFFERING FROM THE REVERSES FACING THE AUSTRALIAN BEEF INDUSTRY. OTHERWISE, HOWEVER, WITH ITS MINERALS AND SUGAR INDUSTRY THRIVING QUEENSLAND IS PROBABLY SUFFERING LESS FROM AUSTRALIA'S CURRENT ECONOMIC DOWNTURN THAN THE MORE INDUSTRIALIZED PARTS OF THE NATION. NEVERTHELESS, THE NATIONAL UPROAR OVER AUSTRALIA'S EMPLOYMENT AND FINANCIAL DIFFICULTIES UNDOUBTEDLY PERSUADED QUEENSLAND VOTERS THAT THE ECONOMY IS IN TROUBLE AND THAT THE WHITLAM GOVERNMENT IS HEAVILY RESPONSIBLE FOR THIS TROUBLE. POLITICALLY, THERE IS RELATIVELY EVEN MORE ANTAGONISM TOWARDS THE WHITLAM GOVERNMENT'S CENTRALIST TENDENCIES IN QUEENSLAND THAN IN THE REST OF AUSTRALIA. THIS ALSO UNDOUBTEDLY PLAYED AN IMPORTANT ROLE IN THE OUTCOME.

4. SIMILARLY, THE EFFECT OF THE QUEENSLAND ELECTION WILL BE FELT BOTH POLITICALLY AND ECONOMICALLY. THE RESULT WILL CERTAINLY INCREASE THE TEMPTATION FOR THE OPPOSITION PARTIES TO SEEK AN EARLY FEDERAL ELECTION. THE COUNTRY PARTY HAS BEEN READY TO MOVE IN THIS DIRECTION FOR SEVERAL WEEKS; AND MANY MEMBERS OF THE LIBERAL PARTY, INCLUDING MR. MALCOLM FRAZER, ARE ALSO ANXIOUS TO MOVE. LIBERAL LEADER SNEDDEN IS MORE CAUTIOUS. HE JUST RECENTLY PUT DOWN A MOVE TO REPLACE HIM AS PARTY LEADER, AND HE KNOWS THAT HE MUST WIN THE NEXT

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ELECTION OR BE REPLACED. HE ALSO KNOWS THAT PRIME MINISTER WHITLAM IS A FORMIDABLE CAMPAIGNER, AND THAT THERE ARE SIGNIFICANT DIFFERENCES BETWEEN QUEENSLAND AND AUSTRALIA'S OTHER STATES. HE AND OTHER LIBERAL PARTY LEADERS ARE ALSO AWARE THAT GOVERNING WOULD BE DIFFICULT UNLESS THERE WERE NEW ELECTIONS FOR THE PRESENTLY DIVIDED SENATE AS WELL AS OF THE HOUSE OF REPRESENTATIVES, BUT IT WOULD BE EQUALLY DIFFICULT TO PERSUADE OPPOSITION MEMBERS OF THE SENATE TO AGREE TO PROVOKE A DOUBLE

DISSOLUTION AND THEREBY PUT THEIR OWN SEATS AT RISK IN A GENERAL ELECTION. BUT THE PRESSURE TO MOVE SOON IS BUILDING. THE 7 DECEMBER GALLOP POLL SHOWS THAT SNEDDEN IS APPROVED AS OPPOSITION LEADER BY 35 PER CENT OF THE VOTERS AS CONTRASTED WITH WHITLAM'S APPROVAL BY 36 PERCENT AS THE PRIME MINISTER. THIS IS A NET GAIN OF 3 PERCENT BY MR. SNEDDEN SINCE OCTOBER.

5. IN THE AREA OF ECONOMIC POLICY, THE ALP'S QUEENSLAND DISASTER COMES ON THE HEELS OF FRESH INCREASES IN UNEMPLOYMENT AND A SWELLING CHORUS OF DEMANDS FROM DOMESTIC MANUFACTURERS AND LABOR UNIONS CIRCLES FOR THEIR FAVORITE MEDICINE - IMPORT QUOTAS. THE QUEENSLAND DEFEAT WILL BE CITED AS NEW EVIDENCE OF THE URGENT NEED FOR IMPORT RESTRICTIONS. WHITLAM HAS ALREADY ACCEDED TO THE EXTENT OF AGREEING TO REFER ADDITIONAL INDUSTRIES, TEXTILES, CLOTHING, FOOTWEAR AND ELECTRONICS, TO THE TEMPORARY ASSISTANCE AUTHORITY FOR CONSIDERATION OF THEIR CLAIMS THAT THEY ARE SUFFERING IMPORT DAMAGE. WHILE WHITLAM APPARENTLY REMAINS ANXIOUS TO SAVE AS MUCH AS POSSIBLE OF HIS IMPORT LIBERATION PROGRAM, THE PRESSURE FOR FURTHER COMPROMISES WILL NOW BE VERY STRONG.
SIMPSON

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